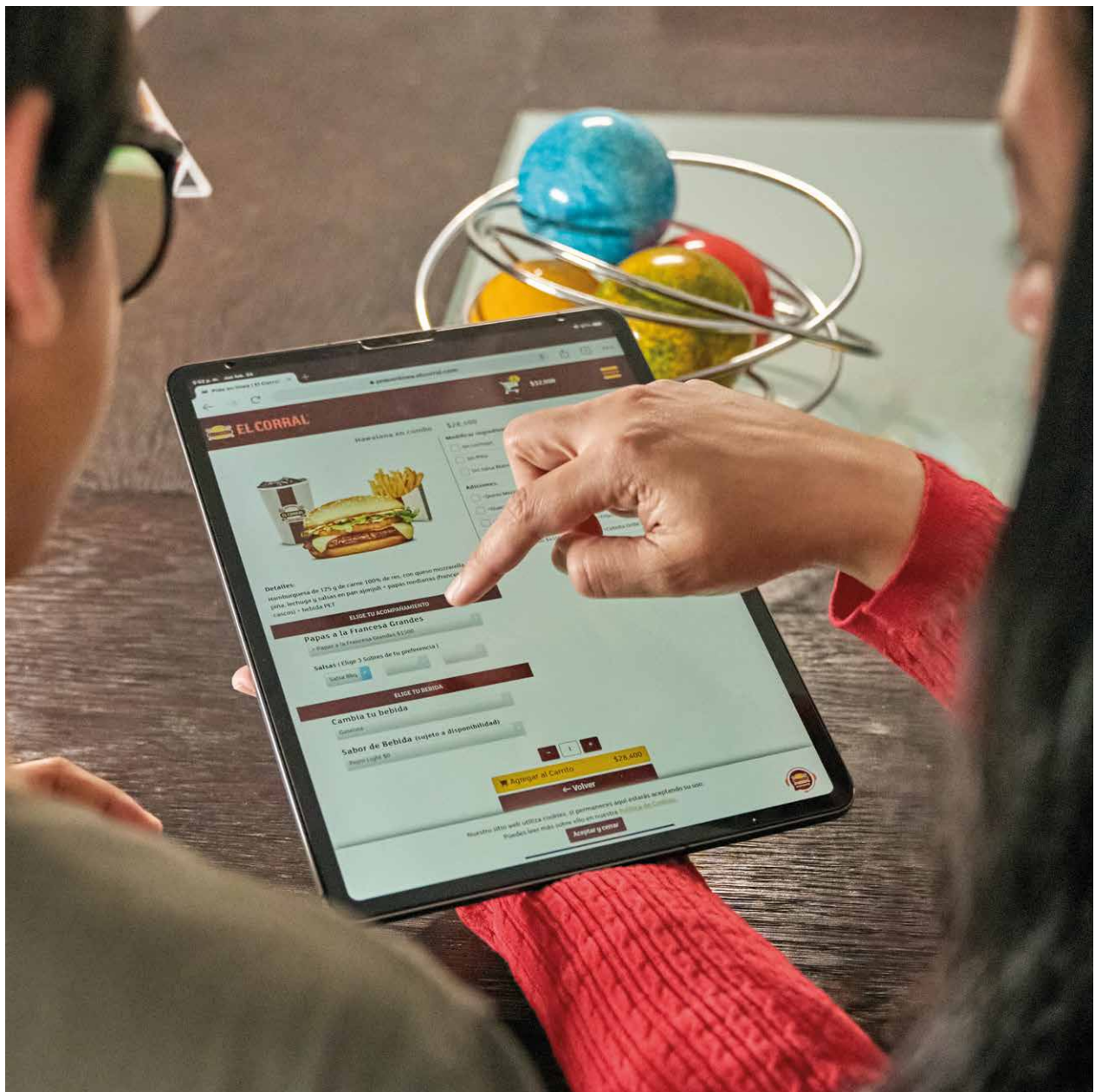




## Digital transformation

Incorporating capabilities based on digital services, taking as a starting point the cultural transformation, the development and adoption of new technologies, the identification of new business models, the development of the value chain, and the evolution of both data and analytics.



El Corral's e-commerce in Colombia.



Use of new technologies in Colombia.

### Management approach [GRI 3-3]

Inducing the evolution of the culture to promote behaviors focused on adaptability, innovation, overarching approaches and interdisciplinary capacities.

Incorporating market-entry-focused digital evolution.

Implementing technological evolution.

### Progress achieved in 2022 [GRI 3-3]

- **Creation of the Sales and Digital Transformation Vice President's Office** to lead the strategic development and the corresponding relevance in the corporate approach.
  - **Strengthening of the cultural transformation** by developing capacities related to innovation, adaptive leadership, new ways of working and structure simplification.
  - **Incorporation of digital roles within the operational teams** as transformation drivers.
  - Design of learning experiences focused on self-development and on the digital mindset and capacities. Additionally, 240 employees from 29 companies received training as agile enablers, and one as sponsor of the capabilities needed to define the actions that will be carried out in 2023.
- 
- **Evolution of the value proposition** of the digital trade platforms for consumers based on user experience, business management, delivery logistics and analytics.
  - **Creation of digital versions** for the distribution networks, providing a higher level of autonomy in the access to the brands and boosting the engagement with the commercial figures.
  - **COP 696.866 million in digital sales**, representing 4,1% of total sales. These results were supported on the development of logistical capacities for reaching consumers.
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- **Adaptation and maturity in the robotic process automation (RPA)**, chatbots, digital trade, augmented analytics and industrial robotics, with controlled cases of use and understanding of their benefits and applications.
  - **Development of 23 medium- and high-complexity RPA solutions** in eight companies and five geographies, which allowed reducing 507 operation hours per month.
  - **Construction of the commercial technology core evolution architecture** with the incorporation of technologies related to master data, CRM (customer relationship management), infrastructure, security and advanced analytics models.

## Risks and Opportunities

[GRI 3-3]

The development of digital transformation as a strategic capacity ensures a higher cohesion level around a common purpose and a team mentality that fosters the incorporation and development of flexible, agile and liquid structures for the Organization. This becomes an opportunity to constantly rethink the processes and the culture with the aim of transcending to simpler and more innovative everyday operation.

Digital engagement with customers and consumers remains a relevant matter for the Company because it drives the construction of trust-based relationships based on the commercial and logistical processes, and it also contributes data quality and security, and induces the evolution of the commercial figures with a broader emphasis on point-of-sale management, considering the brand strategies and the promotion of innovations.

On another note, the improvement of the technology core represents an opportunity to speed up the synergies, implement technologies adapted to the specific needs of each Business Unit and minimize the risks related to cybersecurity, technical support and application continuity that could emerge from technological obsolescence.

Finally, the Organization is aware of the growing uncertainty of the sales to digital clients due to the constraints imposed to them by the venture capital market. This is a situation entailing challenges for the Company regarding the continuity of the development of the necessary internal capacities for strengthening the management of high-potential and high-uncertainty clients.

## Future challenges

The Organization will continue working on the evolution of both the technology core and the financial impact to positively contribute to the market entry, brand management and the transformation of the commercial processes, which include the logistics and the care for customer experience. In addition,



Employee from the Chocolates Business in Peru.

the Company will focus on enhancing the digital version of non-native-digital clients (bricks and clicks), especially in the self-service channel and drugstores.

Regarding the evolution of the engagement with customers and consumers, Grupo Nutresa will continue working on developing Novaventa's omnichannel methodology by focusing on the direct-sale online store and on the digital tools, particularly the ones related to analytics, which have the potential of contributing to the consolidation of the retail ecosystem.

The Organization will continue promoting Pideky as the platform for directly reaching mass consumption market customers, thus looking to increase its adoption and penetration by means of the positioning of its value proposition, the incorporation of new segments and its entry to the strategic region guided by flexible logistics models to boost the brands' performance at the points of sale.

It is also expected that the success stories related to emerging 4.0 technologies can be developed to the point where they become fully incorporated into the business as a whole. One of such success stories is the evolution of robotic process automation (RPA) into intelligent process automation (IPA), which will integrate technologies to manage and optimize digital processes using artificial intelligence.

Sales totaling  
**COP**  
**485.113**  
 in the multiple  
 e-commerce platforms  
 in Colombia and the  
 strategic region.

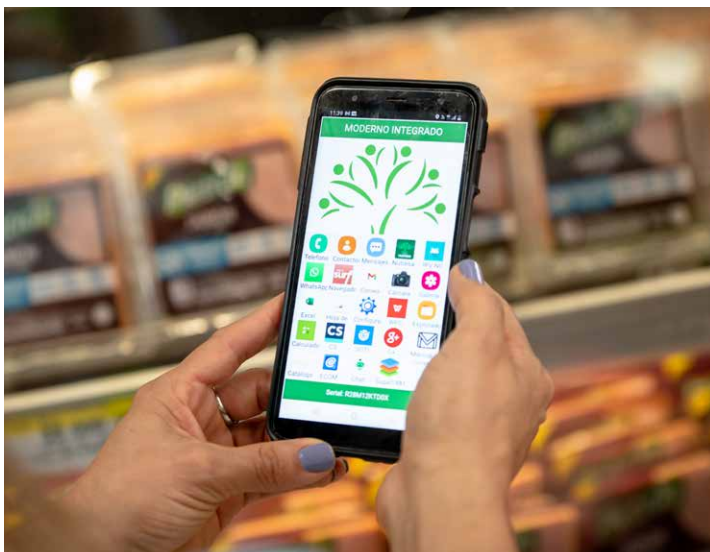
## Material topic details

In Grupo Nutresa, digital transformation develops and incorporates new capacities based on digital services based on the transformation of both the culture and the work and business models with the application of a combination of industry 4.0 technologies.

The Company's strengths, talent and assets are part of the differentiating aspects that boost the development of capacities. Thus, the cultural transformation has been the path leading to the fulfillment of the goals set in the digital ecosystem. In 2022, the Organization focused on the initiatives related to the human talent based on the maturity level established in the studies carried out in previous years. The following are some of the initiatives that stand out:

- **Implementation** of new technologies in the processes related to recruitment, talent mobility, corporate orientation and occupational health and safety.
- **Design of learning experiences** focused on self-development and on the digital mindset and capabilities. Additionally, 240 employees from 29 Grupo Nutresa Companies received training as agile enablers, and one as sponsor of the capabilities needed to define the actions that will be carried out in 2023.
- **Creation** of the organizational agility website.

Commercial process of  
 the Cold Cuts Business  
 in Colombia.



## Development of the digital ecosystem with customers and consumers

Pideky emerged from the need to develop and support the digital transformation at the stores. It is an ecosystem of solutions and services for receiving orders and providing complementary high-value assistance to shopkeepers with consumer-reaching and analytics capabilities. This platform operates supported on the capacities related to the coverage, the delivery of the value proposition, the distribution and the engagement with shopkeepers, and it incorporates technology focused on service development.

As for the market entry using digital channels that reach consumers directly, the Company evolved in terms of the multiple e-commerce platforms of Grupo Nutresa's brands, totaling COP 485.113 in sales in Colombia and the strategic region.

Moreover, the Organization introduced a digital direct-sale service for consumers (D2C) with the aim of reaching them in a unified manner with an extensive portfolio. For this purpose, Grupo Nutresa analyzed the behavior and consumption patterns of shoppers, and designed both the value proposition and the business model with the aim of securing their profitability and being able of making growth-driven decisions based on data analytics, user experience, sales growth and competitiveness improvement.

Lastly, to produce incremental sales, the Company implemented the segmentation model for digital customers in all geographies with an engagement plan that allowed generating synergies and mutual benefit negotiations.

## Digitally focused logistics capabilities

Grupo Nutresa's logistics capabilities have supported the development of its digital channels. That is why, in 2022, the Organization improved the negotiations of such services, achieving decreased fees by more than 15%, and formalized agreements with last-mile suppliers for same-day or 24-hour deliveries. Additionally, in the development of the logistics models, the Company explored transport management technologies (TMS).



Employees from the Ice Cream Business in Colombia.

Investment of  
**USD**  
**157.704**  
 in technology with  
 the aim of having one  
 single source of product  
 information (PIM).

In addition, to adopt digital capacities in the negotiation and sourcing processes, a digital procurement plan was developed with the objective of improving the incorporation of tools such as *contract*, *SLP*, *commerce*, *buying* and *sourcing*. The negotiations in the latter allowed securing COP 143.200 million in savings.

### Exploration and adoption of new technologies

Robotic process automation (RPA) helped Grupo Nutresa's companies to increase their efficiency and productivity. By eliminating manual tasks and reducing operating errors, the companies have been able to offer timelier services to their clients, to develop their employees' digital capacities and to integrate other technologies, such as artificial intelligence, with the aim of supporting the decision-making process in a more agile manner. The following results stand out:

- Four stage-zero RPA workshops for two companies and two geographies.
- Five CLUB in 6 companies from 3 geographies.
- Development of 23 medium- and high-complexity RPA solutions in eight companies and five geographies, which allowed reducing 507 operation hours per month.

The evolution of the technology core incorporated the technologies that the Organization requires to boost its operational efficiency, the maintenance and potentiation of the competitive advantages, a better experience and the development of business models based on the goals associated with Grupo Nutresa's great ambitious strategic objective for 2030.

The Company reinforced its digital trade capacity regarding the stewardship and control of its business assets, in addition to its customer relationship management (CRM), which manages in an integrated manner the Organization's business agreements with its clients and data integration and centralization plans in cloud-based platforms as the main element of the technology incorporation process.

On another token, the Organization allocated an investment of USD 157.704 for technology focused on having a single product information source (PIM), which is supported on the business initiatives and strengthens the analytics capacities when using cloud-based models and the progress of self-service strategies for the Business Units' planning process.

### A data-driven organization

The use of analytics for making timely and effective decisions is an operation front that is worth highlighting in the digital trans-

formation field. Therefore, Grupo Nutresa invested USD 458.341 in the acquisition of the licenses for the necessary technologies and their implementation. The objective is to have a return on the investment in an average timeframe of two years according to the profitability guidelines set out by the Organization.

Additionally, benefits will be obtained in terms of sales operation and product launch agility, as well as an increased productivity in master data and business management. In 2023, the Company will expand the coverage to Business Units outside Colombia and will continue working on modernizing business, logistical and industrial analytical models.

In 2022, the Organization received six requests related to consumer data handling and privacy [GRI 418-1].

Grupo Nutresa maintains third-party information security under stringent privacy policies that have been ranked at a level of excellence by Google. The way user information is managed is duly communicated to all visitors who make transactions by means of the Company's own digital services. Therefore, the implemented technologies identi-

fy the users who have undergone voluntary registration in order to dismiss all those who have not. Moreover, the ads that are published have been previously approved by the users [CG-EC-220a.1].

On another note, the Organization regulates its digital contact with advertising-targeted people with the purpose of having policies in place and deploying practices related to the advertising based on the users' behavior and privacy [CG-EC-220a.2], namely:

- **Databases (phone number, name, e-mail and other).** Obtained through online and offline activations. Therefore, at the moment of requesting data or registration, they communicate the policies of the use that will be made to the information and request approval by the user.
- **Generic audiences of ad suppliers.** All the digital data providers, such as Google, Facebook, among other, have thorough data use policies in place, which guarantees that the audiences providing data on the corresponding platforms have consented to be ad target audiences.

Novaventa's micro-market  
in Colombia.

